ASSEMBLY BILL   No. 912

Introduced by Assembly Member Ridley-Thomas

February 18, 2005

An act to add Section 24328 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 912, as introduced, Ridley-Thomas. Corporation Tax Law: exemptions: Smart Infill Development Act.

The Corporation Tax Law imposes a tax on taxpayers, including financial corporations, measured by the amount of the taxpayer's net income for the taxable year, as provided, but excludes certain items of income from the taxpayer's gross income, as defined, and consequently, from the computation of that tax.

This bill, for the taxable years beginning on or after January 1, 2006, would additionally exempt from the definition of "gross income" the amount of interest earned by financial corporations from loans granted to customers for the purpose of redeveloping brownfields, as defined, that are located within blighted areas, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1   SECTION 1. Section 24328 is added to the Revenue and
2 Taxation Code, to read:

1   24328. (a) Gross income of a domestic financial corporation
2 does not include any amount of interest charged by that
3 institution on loans granted for purposes of redeveloping
4 brownfields that are located in blighted areas.
5   (b) For purposes of this section, both of the following apply:
6   (1) "Brownfield" means a site as defined in Section
7 25395.79.2 of the Health and Safety Code.
8   (2) "Blighted area" means an area as defined in Section 33030
9 of the Health and Safety Code.
10   (c) This section shall apply to amounts that are excludable
11 under subdivision (a) received in a taxable year beginning on or
12 after January 1, 2006.
13   SEC. 2. This act provides for a tax levy within the meaning of
14 Article IV of the Constitution and shall go into immediate effect.

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